

LIVESTREAM HOUR

MEXICO AUTOMOTIVE SUPPLY CHAIN IN FOCUS

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Special guests



Dr Susanne Lehmann
Senior Director of
Production, NAR
Volkswagen



Hector Martinez
Division Manager, Export
Sales & CBU Logistics
Honda de Mexico



Mauricio Alcocer
Mexico Sales Manager
CNW



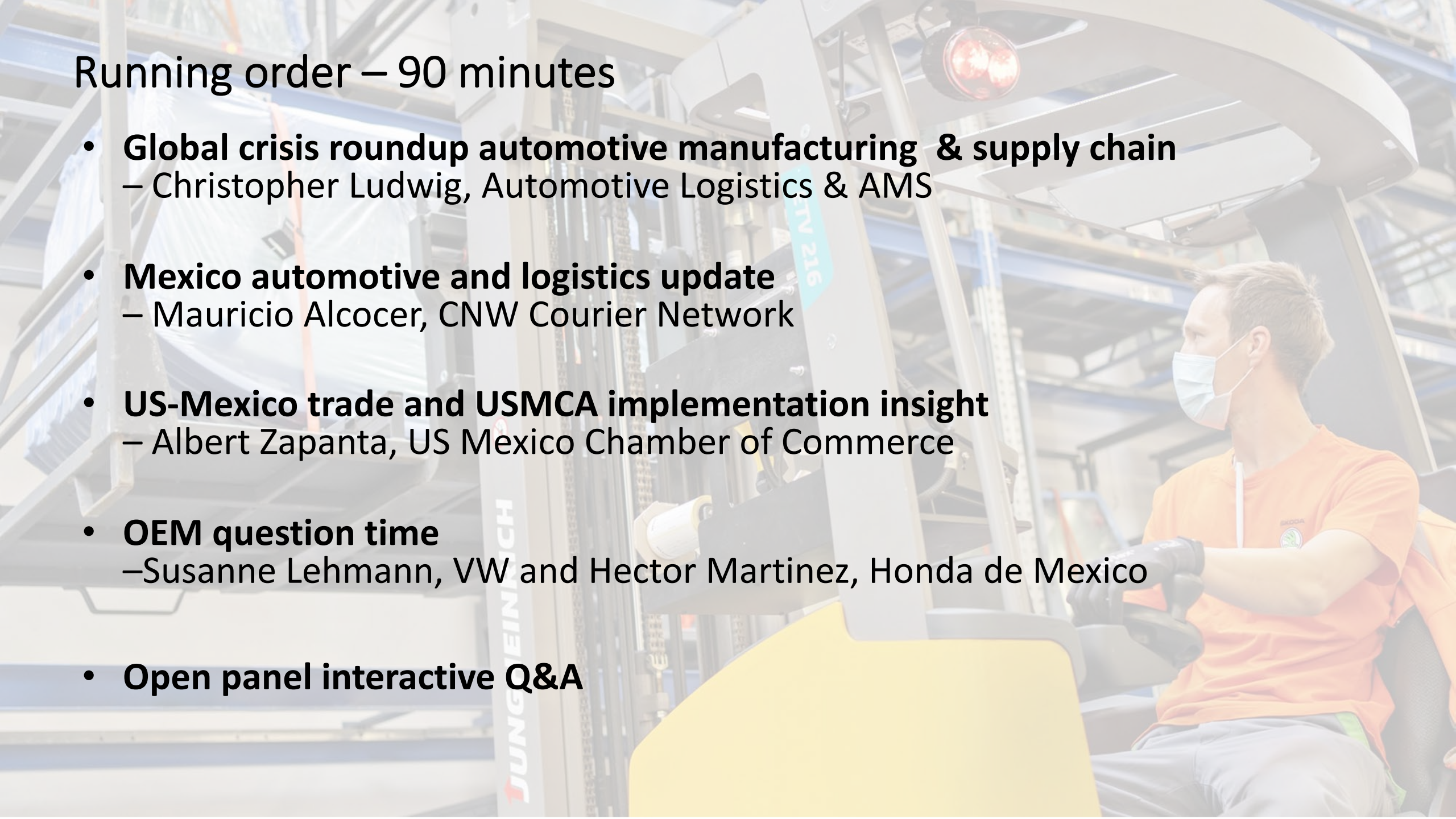
Albert Zapanta
President & CEO
US-Mexico Chamber of Commerce



Host:
Christopher Ludwig,
Editor-in-Chief
Automotive Logistics
AMS

Running order – 90 minutes

- **Global crisis roundup automotive manufacturing & supply chain**
– Christopher Ludwig, Automotive Logistics & AMS
- **Mexico automotive and logistics update**
– Mauricio Alcocer, CNW Courier Network
- **US-Mexico trade and USMCA implementation insight**
– Albert Zapanta, US Mexico Chamber of Commerce
- **OEM question time**
– Susanne Lehmann, VW and Hector Martinez, Honda de Mexico
- **Open panel interactive Q&A**



Supply chain restarts (and stops)



Can China sustain momentum?

- April total sales +4.4%: commercial vehicles +32%, light vehicles -2.6%, EV -29%
- China demand supporting some European restarts
- CAAM outlook for 15-25% annual decline
- Strong move to online sales and 'anti-viral' features
- Global shutdowns could lead to parts shortages in China – but supply chains remain robust so far
- Tesla had short stoppage in Shanghai, reportedly due to parts shortage and equipment issues
- Shipping in and out of China still highly disrupted – blank sailings, limited air freight capacity
- Risk of escalating tensions with US and other trade partners

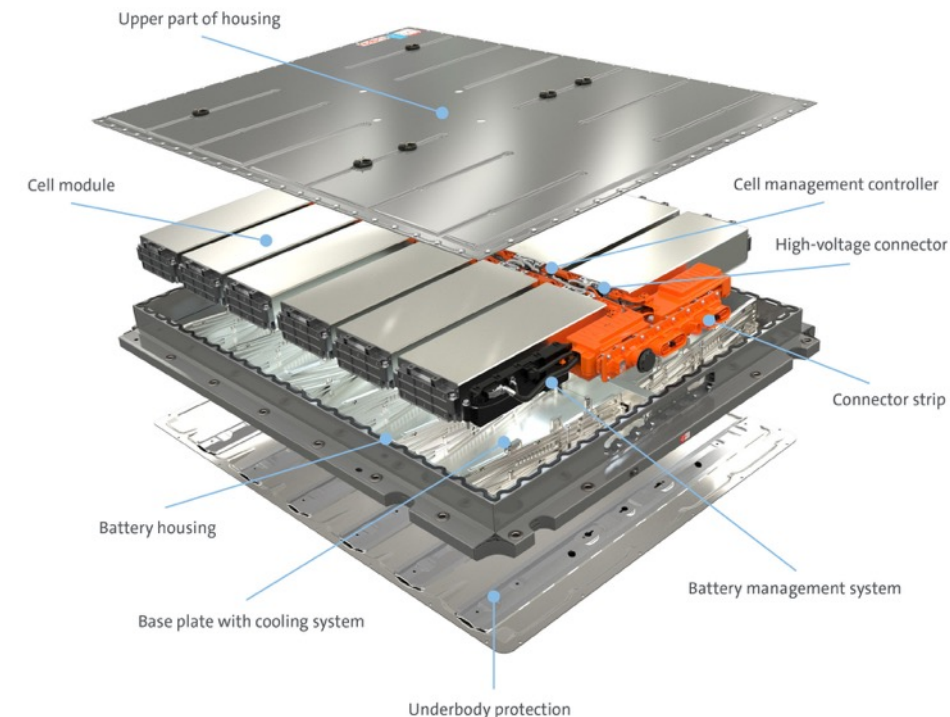


Supply chain restarts (and stops)



Europe – production and disruption in the ‘new normal’

- May 11: **BMW** Dingolfing, **FCA** Melfi, **Toyota** (Turkey)
- Previous: VW Group, Mercedes-Benz, Renault (Flins, Romania), Nissan (Spain), Toyota, Volvo, Hyundai-Kia, Maserati, Aston Martin, PSA (Morocco, Portugal), Ferrari
- May 18-25: **BMW**, **JLR**, **Toyota**, **Maserati**, **PSA**, **Renault**
- June/July: **Nissan**, **FCA**
- Supply chains are reasonable well buffered, however...
- **Production stops: Renault** Sandouville on safety; **Mercedes/Magna** Graz supplier issue; **VW**, **Kia** slow output on demand adjustment
- Suppliers in administration: Veritas, Arlington, Novares
- EV growth spot: product & battery investment continues
- Digital sales & home delivery growth
- When, what, where & conditions of government stimulus...



Supply chain restarts (and stops)



US – Not waiting to get back to business

- Michigan decision allows supplier restart this week paves way for smoother restarts
- May 11 restarts: **Toyota, Honda, Subaru, Volvo Cars, Tesla**
- Previous openings: **BMW, Mercedes-Benz, Hyundai, Kia**
- May 18-25th: Most **FCA, GM, Ford, Volkswagen**
- Early June: **Nissan, FCA** (Belvidere)
- State/local conflicts in restarts, i.e. Tesla
- Disruption in logistics network but port congestion clearing, carriers & suppliers expected to have capacity
- Vehicle inventory levels high, but some segments could quickly see shortages
- Canada reopening in line or gradually after US
- Mexico remains supply chain question mark



Supply chain restarts (and stops)



Global snapshots: Mix of caution, reaction and pushing ahead

- **South Korea** production corrections from export drop: GM Korea, Hyundai plants idled; Kia output reduced
- **Japan** state of emergency – **Toyota, Honda, Nissan, Subaru, Suzuki** suspend most production to Mid-May
- **India** reopening plants and dealers in ‘green’ and ‘orange zones’, including **Maruti Suzuki, Hyundai, Mahindra** and **Renault Nissan**
- **FCA** to slowly restart production at Brazil factories in May even as Brazil crisis severely worsens
- **Toyota, Nissan** to restart in Russia later in May amid lockdown easing (but rising case numbers)



Supply chain restarts (and stops)



Mexico – uncertain steps toward restart

- Restarts subject to government approval depending on health criteria – but automotive is about to be deemed ‘essential’ with new roadmap to be unveiled
- May 18: **Nissan, Ford, GM, FCA, Honda**
- June 1: **Audi, VW**
- Volatile and uncertain planning and forecasting – even in very short term
- Logistics disruption – rail embargoes, reduced US border shipments, different state rules
- USMCA implementation July 1st – questions over alignment with the US and Canada
- Mexico is key for stable continuation of automotive supply chain in North America, but also impacts global regions including Europe, South America and Asia



Get in touch with news, ideas and comments

The Automotive Livestream hour is produced by:

Christopher Ludwig christopher.ludwig@ultimamedia.com

Neemish Ladwa: neemish.ladwa@ultimamedia.com

Richard Logan: richard.logan@ultimamedia.com

Victoria Johns: victoria.johns@ultimamedia.com

And our teams at

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06 MAY THE LIVESTREAM HOUR:
TIER SUPPLIERS ON THE ROAD TO RECOVERY

13 MAY THE LIVESTREAM HOUR:
MEXICAN AUTO SUPPLY CHAIN IN FOCUS

20 MAY THE LIVESTREAM HOUR:
AFTERMARKET: KEEPING THE WHEELS MOVING

27 MAY MAIN STAGE:
AUTOMOTIVE SUPPLY CHAIN MAY UPDATE